

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

Case No. 23-60063-Cr-DIMITROULEAS/AUGUSTIN-BIRCH

UNITED STATES OF AMERICA

v.

GREGORY DENNIS,

Defendant.

STIPULATED FACTUAL BASIS

The United States and GREGORY DENNIS ("the defendant") hereby stipulate and agree that had this matter proceeded to trial, the United States would have offered evidence and testimony sufficient to establish a factual basis beyond a reasonable doubt for the crime charged, including the following:

The defendant, who resided in Broward County, in the Southern District of Florida, was at all relevant times employed by the City of Miami as a Police Officer. At all relevant times, the defendant had accounts at J.P. Morgan Chase Bank, N.A. ("Chase Bank"). Chase Bank did business throughout the United States, including maintaining branches in the Southern District of Florida.

The United States Small Business Administration ("SBA") was an agency of the executive branch of the Government of the United States. The Coronavirus Aid, Relief, and Economic Security ("CARES") Act was a federal law enacted in or around March 2020 that was designed to provide emergency financial assistance to the millions of Americans who were suffering the economic effects caused by the COVID-19 pandemic.

One source of relief provided by the CARES Act was the authorization of forgivable loans to small businesses for job retention and certain other expenses, through a program referred to as the Paycheck Protection Program ("PPP").

In order to obtain a PPP loan, a qualifying business, including a sole proprietorship, submitted a PPP loan application, which was signed by an authorized representative of the business. The PPP loan application required the business (through its authorized representative) to acknowledge the program rules and make certain affirmative certifications in order to be eligible to obtain the PPP loan. In the PPP Borrower Application Form for Schedule C Filers Using Gross Income (SBA Form 2483-C), the small business (through its authorized representative) was required to provide, among other things, its: (a) total amount of gross income reported on its Schedule C for either 2019 or 2020; and (b) number of employees. The information on the application, and the supporting documentation submitted therewith, were used to calculate the amount of money the applicant was eligible to receive under the PPP.

The PPP also allowed a qualifying business that had obtained a first draw PPP loan and experienced a required revenue reduction in 2020 to obtain a second PPP loan in 2021. These second PPP loans were also known as "second draw" loans. Starting on or about March 4, 2021, small businesses, including sole proprietorships, that filed an IRS Form 1040, Schedule C, could apply for this second draw loan based on their gross income by using the PPP Second Draw Borrower Application Form for Schedule C Filers Using Gross Income (SBA Form 2483-SD-C) that provided their gross income from either 2019 or 2020 and their number of employees. This information on this second draw

application, and the supporting documentation submitted, were used to calculate the amount of second draw money the applicant was entitled to receive under the PPP.

A PPP loan application was processed by a participating lender. If a PPP loan application was approved, the participating lender funded the PPP loan using its own monies. While it was the participating lender that issued the PPP loan, the loan was 100% guaranteed by the SBA. Data from the application, including information about the borrower, the total amount of the loan, and the listed number of employees, was transmitted by the lender to the SBA in the course of processing the loan.

The entity identified in the Information as "the Lender" was a non-bank lender named Harvest Small Business Finance, LLC ("Harvest"). Harvest was an SBA-approved lender for PPP loans, and processed PPP loan applications from applicants located throughout the United States. Harvest was based in Laguna Hills, California, and its servers were located outside the state of Florida.

The entity identified in the Information as "the Technology Company" was a company based in San Francisco, California, named Womply. Womply operated an online platform that received information and documents from PPP loan applicants throughout the United States, and Womply's servers were located outside the state of Florida. Womply was not a PPP lender, but rather was an independent business that served as a referral partner and technology services provider for multiple SBA-approved PPP lenders. Once an applicant submitted their information and documents through the online platform, Womply would make certain information and documents available to one of the lenders that retained its services for the lender's review, approval, and funding of

the PPP loan. Harvest was one of the lenders that contracted with Womply to receive PPP applications for funding by Harvest.

On or about March 28, 2021, the defendant submitted to Womply, via interstate wire communications from the Southern District of Florida to outside the State of Florida, a false and fraudulent PPP first draw loan application (SBA Form 2483-C) claiming to be a sole proprietor operating a business under the tradename "Gregory Dennis." That PPP loan application falsely and fraudulently represented the business' 2020 gross income, and as part of the application process, the defendant submitted a false and fraudulent IRS Form 1040, including Schedule C, for tax year 2020, stating that his sole proprietorship was a "cleaning service."

As a result of this false and fraudulent application, the defendant obtained approximately \$20,833 in first draw PPP loan proceeds from Harvest that were electronically deposited by Harvest into one of the defendant's accounts at Chase Bank. This electronic deposit was made via interstate wire communications.

On or about April 10, 2021, the defendant submitted to Womply, via interstate wire communications from the Southern District of Florida to outside the State of Florida, a false and fraudulent 2021 PPP second draw loan application (SBA Form 2483-SD-C), again claiming to be a sole proprietor operating a business under the tradename of "Gregory Dennis." This second draw PPP loan application falsely and fraudulently represented the business' 2020 gross income, and as part of this second draw application process, the defendant submitted the same false and fraudulent IRS Form 1040, including Schedule C, for tax year 2020, that he had submitted in support of his first draw PPP


application.

As a result of this second false and fraudulent application, the defendant obtained approximately \$20,833 in second draw PPP loan proceeds from Harvest that were electronically deposited by Harvest into one of the defendant's accounts at Chase Bank. This electronic deposit was made via interstate wire communications.

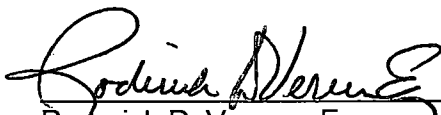
The United States and the defendant agree that this Stipulated Factual Basis, while not containing all facts known to the United States, is sufficient to satisfy all the elements establishing the guilt of the defendant to the crime charged in the Information.

MARKENZY LAPOINTE
UNITED STATES ATTORNEY


Date: 4/4/2023

By: 
Edward N. Stamm
Assistant United States Attorney

Date: 4/4/23

By: 
Roderick D. Vereen, Esq.
Attorney for Defendant

Date: 4/4/23

By: 
Gregory Dennis
Defendant